

**STOP-LOSS EXTENSION
FREQUENTLY ASKED QUESTIONS (FAQ)
OCTOBER 2, 2006**

Note: PIH Notice 2006-35, issued September 25, 2006, extends the deadline for submission of first-year applications for Stop-Loss from October 15, 2006, to April 15, 2007. This FAQ addresses questions raised by this extension.

1. If a PHA submits earlier than April 15, 2007, can it have its application reviewed prior to April 15, 2007?

Yes. Although the Department has extended the deadline for submission for first-year applications, those PHAs that want to have their applications reviewed sooner can do so. For all applications received prior to October 15, 2007, where the PHA may not have received the notice of extension, the Department will contact the PHA and inquire as to whether the PHA wishes to have an early review of its application or whether it wants to resubmit as per the April 15, 2007, deadline. All other PHAs should indicate in their cover letter whether they want an early review of their submission.

2. If a PHA has an early review of its submission, in accordance with Question 1, above, and is found not to have met the criteria for successful conversion to asset management, can it apply again before the April 15, 2007, deadline?

No. A PHA can only apply once.

3. Will the Department change the stop-loss submission date for the second year of Stop-Loss?

No. The deadline for submission of applications for the second year of Stop-Loss is October 15, 2007.

4. If a PHA has applied for the first year of Stop-Loss, it will take the Department upwards of six months to make a determination of successful conversion to asset management. Consequently, the PHA may not know if it has achieved Stop-Loss prior to the date of submission for year two. Will the PHA be provided an extension to apply for the second year?

No. A PHA that has applied under the extended deadline for year one and that has not received a final determination from HUD prior to October 15, 2007, will still need to apply for year two. If the Department determines that the PHA was successful with its year one application, the Department will not review its year two submission. Because the materials contained in the submission packages include basic asset management information (operating budgets, financial statements, etc.), the

Department believes that the preparation of a year two submission package is not intrusive for an organization that is effectively practicing asset management.

- 5. With the extension to April 15, 2007, is the Department merely providing PHAs with another six months to apply, or is it also extending the dates for compliance by six months?**

Essentially, all dates included in PIH Notice 2006-14, issued March 22, 2006, as well as the Stop-Loss Submission Kit, issued July 13, 2006, have been extended by six months. For example, whereas previously a PHA would have had to convert to asset management (under the first-year abbreviated requirements) by October 1, 2006, a PHA now has until April 1, 2007, to convert.

- 6. What are the new dates for budgets/financial reporting?**

PHAs should comply with the following minimum requirements for budgets/financial reporting.

Fiscal Year-End	Budget Period	Additional Budget Material
June	April 1, 2007 – June 30, 2007	These PHAs shall also submit project budgets for the period July 1, 2007 – June 30, 2008.
September	April 1, 2007 – September 30, 2007	N/A
December	April 1, 2007 – December 31, 2007	N/A
March	April 1, 2007 – March 31, 2008	N/A

Additionally, PHAs will also be provided with three months after submission to demonstrate that they can prepare timely and accurate operating statements for these reporting units. As such, PHAs applying for Stop-Loss must submit operating statements for the three month period of April 1, 2007 – June 30, 2007. These operating statements must include the actual-to-budgeted amounts for all significant line items. These statements, for both the projects and the COCC, must be received by HUD by July 15, 2007.

- 7. The Stop-Loss Submission Kit contains various required and recommended forms. Can the Department make these forms available in PDF-fillable format?**

PHAs can access these forms through the Department's asset management web-site at <http://www.hud.gov/offices/pih/programs/ph/am/>.

- 8. Where should submission packages be delivered? PIH Notice 2006-14 indicated that the packages should be sent to the respective field offices? The Stop-Loss Submission Kit indicated that they should be sent to Headquarters.**

Submission packages should be delivered to: U.S. Department of Housing and Urban Development, Office of Public and Indian Housing, Real estate Assessment Center, Financial Management Division, 550 12th ST., SW., Washington, D.C., 20410. To expedite processing, PHAs must send their packages to this address and not to their respective field offices.

9. When will the Department issue the expanded criteria for year two?

The Department anticipates issuing a notice for year two submissions in late fall/early winter.